

Sotheby's Institute of Art

## Digital Commons @ SIA

---

MA Projects

Student Scholarship and Creative Work

---

2019

### "Relationship" - An art bookstore in Macau

Keer Kang

Follow this and additional works at: [https://digitalcommons.sia.edu/stu\\_proj](https://digitalcommons.sia.edu/stu_proj)



Part of the [Art and Design Commons](#), and the [Entrepreneurial and Small Business Operations Commons](#)

---

*“RELATIONSHIP”* — An art bookstore in Macau

A business plan in 2019—2022

---

Macau, China

Keer KANG

MA Art Business

Master's Project

November 2019

## ***Abstract***

Mentioned to Macau, most people have the first impression of Macau is the splendid casinos and hotels. Many people think that Macau is just a gambling city. In fact, Macau has a unique culture that is memorable. There are more than 100 ancient architectural relics, 20 Western-style churches, 40 temples and 20 Museums in the land. As we know, many cities around the world are famous for their unique cultural identity, while Macau is characterized by a blend of multicultural. This business plan is to create and expand the field of commercial art with the background and advantages of Macau's multiculturalism. Therefore, we have decided to use the policy and impact of the art entity bookstore to create a unique art bookstore in a luxury resort hotel in Macau. Through the connection and cooperation with various overseas museums and art galleries, we can provide a comfortable and comfortable place for art lovers who come to Macau. Helpful place. In addition, based on a large number of Macau's tourist population data, R Bookstore in Macau will definitely obtain unexpected economic and commercial benefits.

## Table of contents:

<b><i>PART ONE - Market Analysis</i></b>	<b><i>1</i></b>
<b>I. PEST Analysis</b>	<b>1</b>
1.1.1 Policy	1
1.1.2 Economy	2
1.1.3 Technology	4
<b>II. Development Background</b>	<b>5</b>
1.2.1 Macau	5
1.2.2 Tourism in Macau	6
1.2.3 Arts in Macau	7
<b><i>PART TWO - Company and Products Description</i></b>	<b><i>9</i></b>
2.1.1 Description	9
2.1.2 Concept	10
2.1.3 Project team	11
<b><i>PART THREE - Product description</i></b>	<b><i>12</i></b>
3.1.1 Location	12
3.1.2 Products	14
3.1.3 Business model	15
3.1.4 Partners	20
<b><i>PART FOUR - Competition analysis</i></b>	<b><i>21</i></b>
4.1.1 Bookshop in Macau	21

---

4.1.2 The Eslite Bookstore .....	22
<b><i>PART FIVE - Marketing Plan</i> .....</b>	<b>23</b>
5.1.1 Market position .....	24
5.1.2 Target Clients .....	25
5.1.3 Customer contact strategy .....	26
5.1.4 Potential advertiser/partners .....	27
<b><i>PART SIX - Basic Finance</i> .....</b>	<b>28</b>
6.1.1 Cost .....	28
6.1.2 Income budget .....	28
<b><i>PART SEVEN - Operation and development plan</i> .....</b>	<b>30</b>
7.1.1 Three-year plan .....	31
<b><i>PART EIGHT - Risks &amp; Challenges</i> .....</b>	<b>32</b>
<b><i>Appendix</i> .....</b>	<b>35</b>
<b><i>Bibliography</i> .....</b>	<b>39</b>

## PART ONE - Market Analysis

### I. PEST Analysis

#### 1.1.1 Policy

The physical bookstore is an important cultural place and a carrier of civilization. It is of great significance to promote cultural consumption, enhance the cultural literacy of the whole people, and promote the development of cultural industries. Since the Sixth Plenary Session of the 17th CPC Central Committee proposed the "Cultural Powerful Country" strategy, the Chinese government has repeatedly issued relevant policies to support the development of physical bookstores and strive to build "Scholar China."

In June 2016, 11 departments including the Central Propaganda Department, the State Administration of Press, Publication, Radio, Film and Television and the Ministry of Culture jointly issued the "Guiding Opinions on Supporting the Development of Entity Bookstores" (hereinafter referred to as "Guiding Opinions"), in reform and innovation, network construction, Development direction, fiscal and tax support, etc. plan the development of physical bookstores.<sup>1</sup>

---

<sup>1</sup> Kuang Wenbo , Huang Qixiang, Development Strategy of Physical Bookstores in the New Media Environment, , School of Journalism, Renmin University of China; School of Journalism, Renmin University of

In recent years, the Macao government has strongly advocated the development of cultural and creative industries based on Macao. In his 2011 government policy report, the Chief Executive of Macau, Cui Shi An, explicitly mentioned that "In the process of promoting the moderate diversification of the economy, the SAR government will increase cultural creativity. The development of resources, support local cultural creation, research and strengthen the preservation of cultural works with outstanding artistic contributions and original flavor, and enrich the cultural heritage connotation of the SAR. The Cultural Creative Industry Promotion Department and the newly established Cultural Industry Commission. On the basis of this, we will study the establishment of the "Cultural and Creative Industry Fund", combining policy formulation and substantive support, to practically promote the development of the cultural and creative industry in Macau." Article 3, Section 4 mentions "cooperating in the construction of Heng Qin Cultural and Creative Zone, gathering domestic and foreign cultural and creative talents, technology and funds and other resources to jointly develop visual arts, film and television production, pop music, animation, design, advertising, publishing, etc. Cultural products to create a characteristic park." <sup>2</sup>

### 1.1.2 Economy

---

<sup>2</sup> Administration "Volume 26, Total No. 101, 2013 No. 3, 607-615 607, with the aid of the cooperation between Guangdong and Macao to develop the Macao cultural and creative industry,

Since Macau became a Special Administrative Region, due to the improvement of Macau's social environment, the opening of the gaming industry and the support of the Mainland, the economy has ushered in a golden stage of sustained growth. From 1999 to 2014, Macau's GDP increased from MOP49,387 million to MOP44,297 million, an increase of 8.97 times, with an average annual growth rate of 16.17%. However, at the same time, as a micro-economy, its economic growth is greatly affected by the external economy, and its growth rate fluctuates significantly.<sup>3</sup>

Although Macao's local area is limited, the economy is self-contained and can operate relatively independently. Macao has all the structures needed for an autonomous region, with a relatively complete and independent government structure, legal system, judicial system and independent fiscal and taxation, financial system and unique industrial structure. Macau has its own currency——MOP, which is stable because it is directly linked to the Hong Kong dollar. Macao has a distinctive fiscal and taxation system. It adopts a prudent fiscal policy with a balance of income. Although the tax base is narrow, it is more self-sufficient, and because of the existence of the gambling franchise tax, it has successfully maintained a tax system featuring low taxes. Macao also has a complete three-dimensional transportation network of sea, land and air, extending in all directions, and the freedom of goods, personnel and capital. The small scale of the economy, the shortage of resources and other congenital shortcomings have been compensated through the trade in goods and services.<sup>4</sup>

---

<sup>3</sup> Greater Pearl River Delta Forum 2016, Issue 3, 14, Research on New Features of Macao's Economic Growth and Diversification Paths, Liu Yang 1, Yuan Chi-ping 2

<sup>4</sup> Macau Economy Overview

<https://www.macaudata.com/macabook/ebook006/html/ch1.html>



### 1.1.3 Technology

According to the 2018 Global Innovation City Index of 2018, Macau ranks 308th out of 500 cities worldwide and was named “Innovative Node City”, the third level of city type rating.

Ranked 136th among the 256 innovative node cities, close to the mid-stream level, indicating that Macau not only has considerable innovation capabilities, but also has a wide range of science and technology development space. At the same time, Macau ranked 4th in the “9+2” City Innovation Index of Guangdong-Hong Kong-Macao Greater Bay Area in 2018, second only to Hong Kong, Shenzhen and Guangzhou. (*Table 1.1 Trends in global innovation city index rankings in some cities in China (YEAR 2012-2018)*) This shows that Macao not only has certain participation in the construction of the Science and Technology Innovation Corridor in Great Bay District. Advantage, and is expected to become one of the support points.

In the "Policy Address for the Fiscal Year 2019", the Government has strongly supported the innovation and development of Macao, "cooperating with the implementation of the Guangdong, Hong Kong, Macao and Greater Bay District to build an international science and technology innovation center, and launching tax incentives in stages" to "strengthen the cultivation of scientific and technological talents and enhance Technological innovation ability. Strengthen basic and applied

research, strengthen the combination of production, study and research, and propose new initiatives such as science and technology tax incentives and talent introduction for the creation of Macao's science and technology environment.<sup>5</sup>

According to the ranking of global innovation cities from 2012 to 2018, the ranking of Macao is generally maintained at around 300, until the beginning of last year, showing a trend of rising, indicating that Macao has made some progress in the development of innovation and technology in recent years.<sup>6</sup>

## Development Background

### 1.2.1 Macau

After the establishment of the Macao Special Administrative Region, with the opening of legal gambling and the implementation of the "free travel" policy in the Mainland, the Macao economy has developed rapidly. However, while the economy has made progress, there are also social hidden dangers caused by the single economic structure. To this end, the Chinese government clearly stated in the "Outline of the Eleventh Five-Year Plan for National Economic and Social Development" that the Macao economy should be "moderately diversified" in the "Twelfth Five-Year Plan for National

---

<sup>5</sup> Macao Science and Technology Innovation Environment and Cultivation Profile Analysis, Macao Trade and Investment Promotion Institute, Research and Information Office March 2019

<sup>6</sup> Trends in global innovation city index rankings in some cities in China (YEAR 2012-2018)

Economic and Social Development". China has emphasized that it is necessary to continue to implement this policy. It can be seen that promoting moderate and diversified economy is a strategic adjustment made by the country to adapt to the needs of Macao's own economic development.

"Macau culture is a regional culture that has formed and developed in Macao through the intersection, exchange, collision, integration, and innovation of Macao's traditional culture and modern western culture for more than 400 years in a specific historical background and specific regional environment."<sup>7</sup>

In 2010, the Macao government established the "Cultural Creative Industry Promotion Office" and the "Cultural Industry Committee". The committee established a preliminary policy framework for the development of the cultural industry, and promoted the eight major industries of design, visual arts, performing arts, clothing, publishing, pop music, film video and animation as the focus of the experiment. After three years in the course of research and exploration, the Macao government officially established the "Cultural Industry Fund" in October 2013 to establish a financial support organization for the rapid development of the cultural industry.

### 1.2.2 Tourism in Macau

According to surveys, in 2018, there were 35,803,663 visitor arrivals, an increase of

---

<sup>7</sup> Cheng Xianghui and Huang Hanqiang, 2003, p.171. "Macau Culture · Chinese Culture · Chinese Culture and the 21st Century", Macau, Macao Social Science Society, ,

9.8% year-on-year; overnight visitors (18,492,951) and overnight visitors (17,310,712) increased by 7.2% and 12.7% respectively. The average length of stay of passengers was 1.2 days, which was the same as in 2017; overnight visitors (2.2 days) rose by 0.1 days, and overnight visitors (0.2 days) remained unchanged. The number of visitors increased by 5.9% to 9,130,432.

According to the main purpose statistics of Macao, the per capita consumption of visitors (3,506 yuan) was higher, up 1.4% year-on-year. Per-capita shopping (\$2,618) and holiday travelers' per capita spending (\$2,552) both rose by 1.8%, while per-capita spending of business travelers (\$1,199) fell by 18.3%.

In the first quarter of 2018, the per capita consumption of visitors was 1,921 yuan, up 12.4% year-on-year and 7.3% quarter-to-quarter. In the second quarter, the per capita consumption of passengers was 1,996 yuan, up 11.6% year-on-year and 3.9% quarter-to-quarter. The per capita spending of visitors in the third quarter was \$2,039, up 5.9% year-on-year. In the fourth quarter, the per capita consumption of passengers decreased by 11.0% year-on-year to 1,844 yuan.<sup>8</sup> (*Table 1.2 Macau's total consumption & per capita consumption in 2018*)

### 1.2.3 Arts in Macau

---

<sup>8</sup> DSEC <https://www.dsec.gov.mo/Statistic.aspx?NodeGuid=251baebb-6e5b-4452-8ad1-7768eafc99ed>

In order to support local associations to carry out various non-profit-making cultural and artistic activities, the Macao Government has set up various funding schemes to promote the diversified development of local culture, promote the roots of art, improve the artistic and cultural environment, promote local cultural values, and consolidate the permanent development of Macao's culture and art.

The art collection includes fields of art (painting, calligraphy, sculpture, photography, antiques, gardening, etc.) creation, sales and auctions, as well as photography services. In 2015, there were 109 institutions operating, 99 of which were engaged in photography services; 435 employees were employed, and the staff expenditure was 27.76 million yuan. In 2016, the number of operating organizations increased by one to 110, and the number of active employees (390) and staff (\$56.68 million) decreased by 10.3% and 7.5% respectively. In 2017, the number of operating agencies decreased by 3 to 107, and the number of active employees (427) and staff (\$39.6 million) increased by 9.5% and 54.4% respectively.<sup>9</sup>( *Table 1.3 Status of Macau Art Institutions (2015—2017)* )

The number of cultural and art exhibitions held in Macao reached 33 in the fourth quarter of 2018, more than double the number in the same quarter of 2017, and the number of participants increased by 29.3%, which is the most significant growth among all categories. a class. This data greatly illustrates the rapid development of Macao's art culture.

In 2019, with the theme of “Art is an experience”, Macao held the first “Arts and

---

<sup>9</sup> <http://www.dsec.gov.mo/c/eic.aspx>

Cultures” and it was a brand-new urban art and culture experience. From the main exhibition of the Macao Museum of Art to a number of resorts and hotel art exhibitions, as well as outdoor art installations that incorporate urban attractions, the collection of ancient and modern Chinese and foreign art.

## PART TWO - Company and Products Description

### 2.1.1 Description

R Bookstore is located on the ground floor of the MGM Hotel in Taipa, Macau. The business area is about 100-120 square meters. It is designed mainly by European art galleries and bookstores. It is furnished with European and American bookcases, and the comfortable reading sofa area is provided. High-quality coffee and tea drinks, high-speed broadband network, and professional art book shopping guide services to meet the needs of different customers.

The main books of R Bookstore are professional art books, art news magazines, art exhibition books, artist biography, artist works, etc. Among them, we will try to cover Chinese and Western cultures, such as Chinese paintings, jade, ceramic books. We also try to expand the field of art, such as music, art, tea and so on.

R Bookstore is committed to creating a bookstore with its own unique artistic concept,

providing a place for art lovers from all over the world to relax, communicate and feel the art during their stay in Macau. In the R bookstore, the public can not only purchase art books and art derivatives that they are interested in, but also have the opportunity to participate in activities to gain some artistic knowledge and opinions. The most important thing is to fully invest in the professional artistic atmosphere, constantly improve yourself, find the direction, and enhance the artistic sensitivity for yourself.

### 2.1.2 Concept

The bookstore name selection combines three elements:

- (1) RELATIONSHIP, referred to as “R”, the word is not only simple, but the direct meaning is clear: the way in which two things are connected; the way in which two or more people feel and behave towards each other. It also contains a lot of extended meanings, which can make people start to associate, impress people, and enter the store with curiosity.
- (2) The original concept of this bookstore is to provide a contact channel for people who love culture and art and cultural and art books and articles, so that the relationship between art and art lovers is not only at the level of desire. In this bookstore you are free to have a relationship with art and art knowledge. This relationship may be good, maybe bad, but it must exist.
- (3) In a way, the establishment of this bookstore will inevitably produce a variety of

relationships, especially interpersonal relationships, including book suppliers, consumers, exhibitions of artists, invitations to cultural scholars to give lectures, and so on. Even though it's just that you came to the bookstore and read a book and liked it, there is another reader who agrees with you. This book constitutes the artistic relationship between you and him.

Relationship is exactly the biggest charm of the bookstore.

### 2.1.3 Project team

The main members of our organizational structure are Bookstore Director, Consultant Design Group, Administration Department, Finance Department, Marketing Department, Public Relations Department, Store Department , and Foreign Purchasing Team.

- Bookstore Director: Including chairman and shareholders
- Consultant Design Group: Each funding unit or partner selects a member to form a team of consultants, mainly to provide advice and guidance for the day-to-day affairs and future direction of the bookstore.
- Administration Department is Responsible for all aspects of day-to-day management, such as official instructions, official invitations, and document exchanges with partners
- Finance Department: Responsible for developing and executing the company's



financial plan, managing company accounts, and recording all expenses and revenue.

- Marketing Department is Responsible for investigating and integrating the latest information in the industry, collecting market trends and competitors' conditions, operating the company, and developing a marketing strategy that maximizes benefits.
- Public Relations Department: Plan the company image at different stages, contact and follow up on advertising business, and open up new potential customers.
- Store Department: Store layout, organize books, clean stores
- Foreign Purchasing Team: We will send this group regularly to countries such as Europe for market research and collect some local art items that meet our business philosophy and purchase them after the audit team has conducted the review.

## PART THREE - Product description

### 3.1.1 Location

Many people are for Macau's gambling, others are for Macao cuisine, and others are for the beauty of Macau. In fact, these are not in conflict with our desire to create a unique artistic image of Macau. And I think that the flow of people brought by the

charm of Macau is precisely the advantage of our development of this comprehensive art space.

Among the many casino hotels in Macau, MGM's investment in art is one of the best.

MGM has its own art collection, and there is also a 6,000-square-foot "MGM Exhibition Space" at MGM Macau (Picture 3 :MGM's Website) .It organizes various exhibitions from time to time and one of the most important art festivals in Hong Kong and Macao. MGM already has a relatively complete art system. The hotel houses more than 300 art treasures, including 28 collections, as well as contemporary paintings and sculptures. Art investment exceeds \$12.7 million. Besides, MGM plans to host high-quality art-themed exhibitions every year, such as A GOLDEN WAY OF LIFE in 2017, the gold artwork from the French museum or private collection is precious.(Picture1: The Exhibition: "A GOLDEN WAY OF LIFE" in 2017&Picture 2 : An Exhibition in MGM)

MGM also actively includes some art stores to enter their shopping areas, such as Old House Antiques Store, Gallery, Art Dessert Shop, etc.

Ms. He Chao Qiong, head of the MGM hotel, mentioned earlier that she was interviewed by a Hong Kong media. When she decided to set up an exhibition space at MGM Macau, she was opposed by many people. The reason is that Macau tourists will not appreciate art, and hotels. The image is also very different. She expressed the hope that through the hotel's art collection, art education will be brought to the community, so that young people can change the perception of only the gaming industry in Macau, and increase the public's attention and awareness of public art.

### 3.1.2 Products

The main channel of our books is to select and determine which books meet our requirements and standards through books from museums and galleries in China and abroad. For each book, we will buy one to come back to the employees to read and read, and then decide whether it has a purchase value for art lovers. It is worth noting that some books may be published and sold because of an artist's special exhibition held by an art museum. After a period of time, there may be no purchase channels. This also reminds consumers of the speed at which our bookstores are updated, while reducing the time consumers spend on purchase considerations.

In addition, we will also purchase catalogues from some of the world's leading auction houses, which is convenient for our consumers or art collectors to spend time and travel to different locations; at the same time, we can also This is in cooperation with the auction house's catalogue. For example, the album can be sent to the R bookstore for a period of time before the large-scale auction every year, or the season's exquisite album can be sold after the auction. Both sides have both publicity and enrichment of our book types. Here are some of the European museums we have selected: Louvre in Paris、Sammlung Boros in Berlin、The British Museum in London、Vatican Museums in Roma、Guggenheim Museum in Spain、The National Gallery in London、Musée d'Orsay in Paris、Tate Museum in London、Centre Pompidou in Paris, etc.

Bookshops are one of the most visible places for books in public space. No bookshop can ever offer every book available; rather it is in its selection that each bookshop is unique. Value, writes Michael Bhaskar in *Curation* (2016), no longer resides in access, but in curation—in selecting and arranging. The article argues that curating practices in bookshops can be mapped from four main aspects: space, selection, display, and experience. In order to understand the day-to-day practices in a bookshop, and the different form of curation that takes place, an ethnographic observation study was performed. The results in this study point to the bookshop being a place where more than books are sold: there is also selling the experience and sensation of being in a bookshop. In the borderlands of culture and commerce, bookshops are important curators of books. We plan to break the library-style display and adopts the "thematic style" to show the concept and care of humanistic reading.

### 3.1.3 Business model

The innovation of the bookstore business model mainly refers to the multi-business mode of operation. There are five basic types of existing specialty bookstore business models: First, A composite business model centered on Taiwan's Eslite Bookstore and cultural creativity. The scope of operations extends to galleries, publishing, performances, art spaces and courses, art derivative goods, the implementation of the chain but not copy the business model. Second, professional business model. The

Beijing Wan Sheng Book Garden is mainly engaged in the management of academic books; Taipei's "Old Fragrance", specializing in the sale of rare books. Third, the "publication + cultural salon" business model based on the Taiyuan Vientiane Book City. Adhere to the cultural identity of the bookstore, carry out cultural salons and reader activities, and invite local scholars and writers to give special lectures. Fourth, the all-round one-stop art service mode represented by Beijing Bee Bookstore, integrating literature and art book publishing, album production, art remake, art sales and sales. Fifth, The diversified business model of "Publications + Leisure Places (Coffee Shops)" represented by Shenzhen Old Heaven.

The model should be based on the book-selling business, which in turn extends other related businesses, making the bookstore's functions more diversified. Open multiple functional areas such as libraries, cafes, cultural salons, and creative product markets. Here, readers can not only buy books, read books, drink coffee, but also participate in regular lectures, and even use it as a photography resort. This diversified business model breaks the limitations of the traditional bookstore's single business and stimulates cultural diversity consumption and risk resistance. Diversification does not mean abandoning the original intention of the physical bookstore business, including a large number of unrelated sideline businesses, turning the physical bookstore into a one-size-fits-all mall, and still It should be based on the bookstore business philosophy, and then extend the other related sideline to get the target readers' favor.

By referring to the five types of successful bookstore business models and adhering to our own ideas and original intentions, R bookstore is roughly divided into reading

books area, Public gallery, Art shop, Café and Art for children.

- **Reading Book Area:** In the choice of art books, we are divided into three parts: art enlightenment, art exhibition and art research. In especially, Art Exhibition Books are our advantage. We will mainly refer to the theme exhibitions of some large museums and art galleries in China and abroad, pay close attention to the exhibition information of major museums and art galleries, and be able to purchase a certain number of special exhibition albums from museums and art galleries in time. For example, the Andy Warhol exhibition in the Whitney museum in January 2019, the Chinese Ming and Qing Dynasties porcelain exhibition in September 2018 in the British Museum, etc. The attributes of the public space give consumers a feeling of freedom. Unless asked, the staff will not lead consumption, and the service will focus on humanization.
- **Public Gallery:** The public exhibitions are combined with our book area, and we will select some unique artist works to place in our bookcases or on the walls. This allows the reader to enjoy the artistic atmosphere. The unique artistic space design combines with the display of beautiful items, which complements the various creative products in the store, creating a strong literary atmosphere.
- **Art shop & café:** Today, in the bookstore business model, book sales account for only a small part of it, and other related creative cultural products that extend from reading become an increasingly important part of the income of physical bookstores. For example, Pioneer Bookstore's book sales growth rate was 28%, while book derivatives sales growth rate reached 87% in 2014, and book

derivatives sales accounted for about 50% of bookstore total profit. It is worth noting that there is no absolute limit on the proportion of books in the overall business of the bookstore.<sup>10</sup> The consumer experience is for the development of consumption habits. After all, the bookstore-style art derivatives space sells a way of life and value, with cultural and spiritual consumption at the core. Here, you can temporarily get rid of the impetuosity of the city, find inner peace, and explore art and beauty. Just as people go to cafes, not for a cup of coffee, but to enjoy a casual and comfortable lifestyle, which is the formation of consumption habits. Today, as the consumption continues to escalate, the bookstore-style cultural creation space can cultivate a large number of potential customers.

Therefore, Art shop and Café is a relatively important consumption area of R Bookstore. The quantity and amount of sales here are likely to exceed our book sales in the long run. In particular, art shop will select and introduce some exquisite derivatives of well-known artists from domestic and foreign art galleries for customers to select and purchase. Café We also introduce new coffee items based on festivals and artist themes, in order to give consumers a full range of artistic immersion and experience. At the same time, high-quality drinks will also foster some loyal customers or extend the time of customers in the bookstore.

- **Art for Children:** According to the 2017 China Book Retail Market Report, children's books accounted for 24.64% of the book retail market in 2017, which is the largest contribution to market growth and the largest segment of Chinese

---

<sup>10</sup> Kuang Wenbo, Huang Qixiang, Development Strategy of Physical Bookstore in New Media Environment, School of Journalism, Renmin University of China

books. Whether it is for bookstores or publishing houses, children's books play an increasingly important role. The famous writer Yang Zhao believes that we should not regard the bookstore as a place to sell books, but a place to create life and enjoy life. Bookstore design and architectural beauty will create more reasons for people to walk into the bookstore. "This is especially true for children's bookstores, where the first attraction of children's bookstores comes from the design of the bookstore itself." Tamara McFarland, founder of the London STORYWAY Bookstore, said that the bookstore's window must first be designed to be visually appealing, it is best to change it at regular intervals to attract customers to the bookstore in the first place. Therefore, we specially set up an art decoration style that suits children's reading areas, and children can read the art enlightenment books that we have carefully selected from Europe. Most of them are not talking about the boring expertise of art but inspiring children to do their own creations, such as handwork, painting, sculpture, and so on<sup>11</sup>.

- Activities in R: Art is higher than life but always comes from life and practice. Therefore, it is an abnormal phenomenon that many art cultures are far away from ordinary people. On the one hand, it reflects the lack of development of literature and art, on the other hand, it is also a place where cultural and creative industries can exert their potential. Popularize culture and art to the general public, encourage people to participate, improve the cultural quality of the

---

<sup>11</sup> How to educate children in the future

[http://m.xinhuanet.com/gd/2018-09/27/c\\_1123488668.htm](http://m.xinhuanet.com/gd/2018-09/27/c_1123488668.htm)



people, and encourage folk artists and young people with artistic expertise to show themselves, give more opportunities to ordinary people, and give more opportunities for cultural and creative development. The effect of double-sided gains.<sup>12</sup>

The R bookstore selects lectures, exchanges related to books according to the needs of young people of different social classes and is different from the commercial activities that are not used in general bookstores to increase sales. In the process of participation, the public did not feel that they had improved their artistic awareness and taste. At the same time, cultural products scattered throughout the bookstore will inadvertently enter the reader's life. People who have personally experienced the R culture will spontaneously promote our unique cultural atmosphere, thus creating a superior reputation, infecting different people to come into contact with and feel the art.

#### 3.1.4 Partners

We will use the multilateral platform business model, integrate resources and information, choose suppliers that share the same brand positioning, reduce industrial competition behavior, jointly expand the market, and balance business interests and cultural values through the operation of complex shopping malls. On the one hand, it

---

<sup>12</sup> The Eslite Bookstore, a model of cultural and creative cases  
<https://www.yuanchuangyun.com/newsList/info/2017/2949.html>

introduces counter brands that are in line with business philosophy, and on the other hand, it deals with imported goods, such as creative design stationery, handicrafts, red wine, porcelain, and launches European niche coffee brand, combining fashion, humanities, art and life. Books, selling art, selling culture, and selling ideas. For the import of goods, we will strictly select and consider, and proceed from the cultural needs of art lovers, and choose brands with quality and artistic charm to cooperate.

## PART FOUR - Competition analysis

### 4.1.1 Bookshop in Macau

Macao's bookstores are mainly divided into three categories. The first category is libraries established by various institutions, such as Sha Li Tou Library, Macao University of Science and Technology Library, Central Park Library, etc. There are many types of books, and the number is large. People can book in it. Reading or borrowing in the library;

The second category is the bookstore, which is a for-profit-oriented store. There are relatively few academic books, most of which are commonly used practical books for people. The third category is a bookstore established by individuals. Generally speaking, it is small but unique. Style, the book type is relatively narrow, but it is a bookstore that

young people or students like to go.

One of the most popular is the independent bookstore----- 'Bian Du You Shu'(Picture 4 :Bian Du bookstore) ,which is an important cultural landmark of Macao. In October last year, the Macao Cultural Bureau published the "Macau cultural Map" they designed for tourists include this bookstore. A bookstore, officially affirmed, is a city's cultural attractions. There are books on the newest road in Macau's most popular tourist area, Xin Ma Road, for 13 years. Four store managers are dedicated to serving locals, hoping to be a strong artistic bookstore. Among them, Portuguese books or the books published by Hong Kong, Macao and Taiwan in the bookstore have added a more unique cultural color to this bookstore.

#### 4.1.2 The Eslite Bookstore

The Eslite Bookstore (Picture 5: The Eslite bookstore) has a large number of Chinese and foreign books, stationery and CDs. Combining culture and entertainment, the public leisure space is not only the most influential chain bookstore in Taiwan, but also the best bookstore in Asia in 2004. Each Eslite store develops its own characteristics according to regional characteristics, combining book areas, cafes, stationery, and music, creating a unique cultural life for people who like culture and art. At the same time, it not only provides services for Taiwanese locals, but also attracts tourists from all over the world to Taiwan. It has successfully become one of Taiwan's popular tourist

attractions.

Elegant store interiors, rich books and classical music create a unique Eslite impression.

Eslite Bookstore breaks the traditional business model and defines bookstores as a diverse, dynamic cultural industry, not just selling books.

Eslite Bookstore is also creative in event marketing, and they will hold long-term reading extensions such as lectures, lectures, performances and exhibitions. Hundreds of lectures and exhibitions each year greatly draw the psychological distance between bookstores and consumers.

Overall, two different types of bookstores are temporarily not very competitive. The Bian Du bookstore continues the traditional business model. The choice of books and the concept of bookstores are closer to the needs of Macao locals, but our main target group is domestic and foreign tourists who come to Macau for travel; The diversity and innovation of The Eslite Bookstore is an entity. Bookstores are advertised, but so far there is no branch of The Eslite Bookstore in Macau. We have an advantage in geography, so we can learn from the success of The Eslite Bookstore in bookstore settings and models.

## PART FIVE - Marketing Plan

### 5.1.1 Market position

According to the Macao residents census, the population of children and young adults has decreased in these 10 years, while the elderly population has increased relatively. From the relative number, the data of the Macao residents census shows that the composition of the age population is mainly young and middle-aged. Therefore, some studies have shown that Macao consumption is mainly young and middle-aged people between the ages of 25 and 35. As for the type of consumers, the students are basically students. After all, the income of the student family is limited, and it is difficult to patronize for a long time. As for some older scholars, the fashion reading consumption of the book bar is only occasional patronage.

Mainly divide the interests pursued by consumers into three types:

One is the consumer group that pursues reading. These consumers are mainly people who need to learn to charge. They need a quiet environment to study and supplement their knowledge. They are the main customer groups of the art space.

The other is a consumer group that pursues leisure travel. This kind of consumer group pays great attention to the environment and atmosphere of the art space and has high requirements for service. They like to relax in the store, read the book, take a nap, eat some refreshments or sit down and have a cup of coffee while enjoying the mellow taste. Enjoy this wonderful coffee. Shops will give such people a good impression that such consumers will easily become long-term customers and an indispensable group of important customers.

There is also a consumer group that pursues communication. A small gathering between friends or a literary exchange between a literary youth or a relationship between a couple can be chosen as an unconstrained and relaxed place in the art space. They can talk happily, and this relaxed social way makes the club a relaxed and stylish way. It is also very popular with such consumer groups.

#### 5.1.2 Target Clients

Through consumer research documents, we know that consumer behavior often starts from a perceptual point of view, not just a rational consideration of technical factors; they improve their consumer self-awareness or make them feel better. It will behave very friendly; consumers will only be interested in products if they meet their real needs or unmet expectations. According to the survey, China's art consumption market is gradually developing and has great market potential. The art market is mainly composed of original art, art derivatives and design products. Among them, in addition to the value of consumption, original art works are more in the collection and investment value, while the art derivatives and design products market is a very distinct market driven by consumption. With the increase in income and consumption upgrades, China's emerging art consumer market is being established. According to the survey report of the China Art Consumer Goods Index, the original artists of lower prices, derivative products of art exhibitions, fashion products and souvenirs of cross-border cooperation with designers and brands are the most popular among Chinese art

consumers.

On the one hand, I found that MGM lacks its unique leisure places, such as a quiet rest environment such as coffee shops and bookstores. There is also no place for children's education and activities, which is a point that tourists seem to be unimportant but need. On the other hand, we decided not to focus on the artist's original work, because this work gallery and auction house are doing and are professional. We combined the consumption factors of the art market, and finally positioned it as a consumer-oriented art space and provided it with the professional direction of art books. Allowing consumers to achieve art-related leisure and shopping needs while retaining artistic interest in the level of consciousness.

Therefore, the main consumer group we are targeting is young tourists who come to MGM to stay or hang out from all over the world who love culture and art.

### 5.1.3 Customer contact strategy

- Building R Space's online homepage

According to the survey data of the Macao Fund, Macao residents have a 64.7% share of the use of news websites, and 82.8% of the news about cultural and educational news. Overall, the homepage of the website has been materialized. The main target group is the youth generation who use computers to read.

WeChat builds a customer group, and the first-time newsletter or email informs relevant

event information, new book information, latest promotion activities, etc. New customers go to the bookstore to spend, by adding WeChat, FACEBOOK puts efficient ads.

- Determine the advertising target - informative advertising

The newly listed R allows consumers to perceive the value and significance of the art space through informative advertising. Can give a good effect to the previous publicity.

#### 5.1.4 Potential advertiser/partners

- Identify advertising media

Make full use of the publicity media such as the Internet and street advertising.

Such as: holding a conference of readers and authors, exchanging meeting of authors of art derivatives, etc.

- Public relationship

Opened an art space book fair with joint sales activities such as MGM Café and No.1 Plaza. Joint sales activities with cultural venues such as cafes, music bars, etc., buy products for coffee or cocktail gift rolls.

Opening up trade fairs, including book fairs, art exhibitions, handicrafts exhibitions, etc., to attract eye-catching and interesting activities to enhance publicity and popularity.



## PART SIX - Basic Finance

### 6.1.1 Cost

<i>First-year investment cost</i>	Store rent	MOP 2, 160, 000
	Decoration cost	MOP 300, 000
	Business equipment	MOP 50, 000
	First purchase of books	MOP 200, 000
Total		MOP 2, 710, 000

Annual operating cost	Monthly employee salary	MOP 100, 000*12
	Monthly transportation fee	MOP 20, 000*12
	Consumption	MOP 10, 000
Total		MOP 1, 450, 000

(Table1.5 Cost)

### 6.1.2 Income budget

- books sales

We will register the VIP members of the museum for the staff, the discount for R staff to buy books is generally 50% off - 20% off, if we sell at 110% of the source price, there are up to 60% - 30 % profit margin. However, in order to quickly form a customer

base and gain consumer recognition and loyalty, R will sell books for 10% in the first three months, and restore the original price after three months, but VIP will enjoy 10% discount on books (in store) Other products are still available for sale at the original price. After three months, R members enjoy a 10% discount. Even so, R still has at least 20% profit margin.

Because R's monthly fixed operating expenses = rent + employee salary + book purchase fee + consumption fee = MOP180,000 + MOP100,000 + MOP100,000 (first purchase book 200,000) + MOP10,000 = MOP390,000, then R monthly profit and loss balance point = monthly fixed operating expenses = MOP390,000

Turnover = fixed fee / gross margin = MOP390000/0.20 = MOP1950,000, so monthly sales reached MOP1950,000, and average daily sales of MOP65,000 will ensure break-even.

This figure seems to be exaggerated, but because R purchases books through domestic and foreign partners, the transportation cost of books is relatively low, and R also sells various cultural products, European art brands, and other household products. Broad, I believe that we can quickly break even.

- Site cooperation

Cooperate with other bookstores or other companies to undertake planning, organization, etc. of some commercial activities.

For example, the venue of R can be rented to assist outside organizations in organizing exhibitions and other activities. In the course of the event, the store image promotion, cafe and art derivative sales are carried out in an appropriate amount, and additional

income is added for R.

- Customer book reservation

R Bookstore provides a VIP service for VIP customers. VIP customers can book their own books according to their own preferences and some foreign exhibition information provided in the store. We will arrange for staff to make purchases, but the customers themselves require pre-ordered books to be paid in advance. 50% deposit, and this book does not enjoy member discount prices. The price of these specific books will be more than 20% of the original price for sale, so this is one of the main sources of income for R bookstores.

## PART SEVEN - Operation and development plan

Through the above analysis and positioning, we can find that R Bookstore is in a very optimistic state based on the prospects of art development in Macau. The philosophy and scope of our company are also closely related to art and culture. Because Macau is a diverse city, the number of tourists visiting Australia is on the rise, and many tourists are received each year. The location of MGM Hotel is because of its cultural and artistic characteristics, which are inseparable from our company's goals and objectives. Our staff will be very active in helping us handle the R space. R aims to integrate art and culture into the life of Macau. There are special art bar books, unique art surroundings, etc., and some art exchange activities will be held regularly. Hope to create an art

bookstore like never before in Macau.

#### 7.1.1 Three-year plan

- First year plan

- Successfully launched R Art Bookstore

- All parties publicize, attract potential customers, and lay a solid foundation for the art space.

- Create some regular customer groups.

- Try to start some communication activities as appropriate.

- Second year plan

- Maintain stable R bookstore operations.

- Stay close to your regular customer base.

- Discover more potential customers.

- Hold more artistic exchange activities.

- Third year plan

- Recruit more art partners

- Development and creation of unique art fields

- Ready to build second R series art bookstore at Wynn Palace with steady interest

In the first year, the main source of income came from buying and selling books, arts and merchandise. The second year's income comes from VIP's fixed income, buying and selling books, arts and peripheral goods. VIP members can enjoy the company's foreign book service on behalf of the company, purchase books and art accessories can enjoy 10% discount, meanwhile, the company will organize some private art exchange activities, only members are invited to attend. Attract more customers who are interested in joining the conference. It is expected that Art Space will focus on art culture, exchange activities and exchanges among members in the second half of the second year. The main sources of income for the second year and the third year will come from the fixed membership fees and the cooperation of art partners. I hope to attract more people to pay attention to art through the art space. In a busy city, the busy pace can be slowed down as a result.

## PART EIGHT - Risks & Challenges

In the 21st century, the rate of change is fast every day, it is difficult to predict the future social trends, and there is too much uncertainty about the future, which is one of the most important risks. The ability to seize the psychology of customers, let people put down electronic products, take the initiative to pay attention to the artwork around them, and actively pay attention to art bookstores are the biggest challenges in today's

technologically advanced society. In Macau, there is no such type of art space. After we establish an art space, I believe that more competitors will start to emerge. To make our art space a distinctive space, pay attention to the trends of customer groups, and Customers are in close contact with each other to understand their needs, so as to meet the needs of customers, products, activities and opinions on the basis of adhering to the corporate philosophy, and become a comfortable, relaxing and distinctive art space. Maintaining a stable customer channel is also a challenge that you will initially face. Convincing a customer is hard enough, but even if your business starts and operates, maintaining a stable customer channel is not easy. When you start a business, it can be difficult to get people to have confidence in you. So you have to work hard to build a loyal community and a huge network of potential customers in order to get a steady flow of potential customers in your channel.

However, the challenges faced by physical bookstores are not solved simply by policy. With the continuous development of the Internet, the rise of e-commerce and e-books has reconstructed the pattern of the traditional book sales market. Since 2012, online bookstores have shown rapid expansion, with a year-on-year increase of 33.21% in 2015. In contrast, the bookstore sales market in the physical bookstore, although experiencing the “cold winter” of negative growth in 2012 and 2013, has recovered in 2014 and 2015, but its growth rate is still slow, and the development trend is still grim. High operating costs, the popularity of digital reading, and theft of copyrights on the Internet have all become difficult problems for physical bookstores.<sup>13</sup>

---

<sup>13</sup> Kuang Wenbo, Huang Qixiang, Development Strategies of Physical Bookstores in the New Media Environment, School of Journalism, Renmin University of China;

I think getting referrals and using word-of-mouth marketing, using word-of-mouth marketing, customer referrals and other strategies to attract and consolidate customers.

In addition, if you find that someone on the network agrees, it may help you get more potential customers, and you can also invite him / her to be the spokesperson for the space.

## Appendix

Table1.1

Trends in global innovation city index rankings in some cities in China (YEAR 2012-2018)

▪ Innovation main city ■ Innovation city hub △ Innovation core city

	CITY	2012-2013 Total:445	2014 Total:445	2015 Total:442	2016-2017 Total:500	2018 Total:500
Main Cities	▪Beijing	53	50	40	30	37
	▪Shanghai	29	35	20	32	35
GBA Cities	▪Hong Kong	14	20	22	35	<u>27</u>
	■ Shenzhen	71	74	75	69	<u>55</u>
	■ Guangzhou	256	190	193	97	<u>113</u>
	△ Macau	238	249	251	359↓	<u>308</u>
	△ Dongguan	249	268	265	296↓	310
	△ Zhuhai	312	319	338	372↓	348

Source: 2018 Innovative Cities Index

Table1.2 Macau's Total consumption and Per capita consumption in 2018

2018 年	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Total consumption (MOP)	16.42 billion	16.5 billion	18.35 billion	18.42 billion
Per capita consumption (MOP)	1921yuan	1996yuan	2039yuan	1844yuan



Table1.3 Status of Macau Art Institutions (2015—2017) )

Year / Statistics	Institutions	Employees	Employee expenses (MOP)
2015	109	435	27.76 million yuan
2016	110	390	25.68 million yuan
2017	107	427	39.6 million yuan

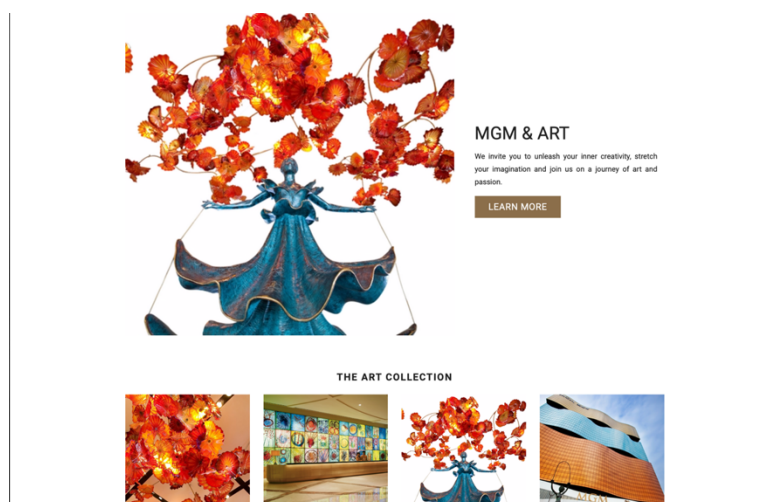
Picture 1 :The exhibition: “A GOLDEN WAY OF LIFE” in 2017



Picture 2 : An exhibition in MGM



Picture 3: The MGM's Website



Picture 4 : Bian Du bookstore



Picture 5 :The Eslite bookstore



Table1.5 First-year investment cost

<i>First-year investment cost</i>	Store rent	MOP 2, 160, 000
	Decoration cost	MOP 300, 000
	Business equipment	MOP 50, 000
	First purchase of books	MOP 200, 000
Total		MOP 2, 710, 000

Annual operating cost	Monthly employee salary	MOP 100, 000*12
	Monthly transportation fee	MOP 20, 000*12
	Consumption	MOP 10, 000
Total		MOP 1, 450, 000

## Bibliography

1. Kuang Wenbo , Huang Qixiang, *Development Strategy of Physical Bookstores in the New Media Environment*, ,School of Journalism, Renmin University of China; School of Journalism, Renmin University of China.
2. Administration (2013)"Volume 26, Total No. 101, 2013 No. 3, 607-615 607.
3. Liu Yang, Yuan Chi-ping, 2016, *Research on New Features of Macao's Economic Growth and Diversification Paths*, Greater Pearl River Delta Forum, Issue 3, 14
4. *Macau Economy Overview*  
<https://www.macaudata.com/macabook/ebook006/html/ch1.html>
5. Macao Science and Technology Innovation Environment and Cultivation Profile Analysis, *Macao Trade and Investment Promotion Institute*, Research and Information Office, March 2019.
6. Cheng Xianghui & Huang Hanqiang, 2003, "*Macao Culture · Chinese Culture · Chinese Culture and the 21st Century*", Macau, Macao Social Science Society, p.171.
7. DSEC <https://www.dsec.gov.mo/Statistic.aspx?NodeGuid=251baebb-6e5b-4452-8ad1-7768eafc99ed>
8. <http://www.dsec.gov.mo/c/eic.aspx>
9. Kuang Wenbo & Huang Qixiang, *Development Strategy of Physical Bookstore in New Media Environment*, School of Journalism, Renmin University of China
10. How to educate children in the future [http://m.xinhuanet.com/gd/2018-09/27/c\\_1123488668.htm](http://m.xinhuanet.com/gd/2018-09/27/c_1123488668.htm)

11. Eslite Bookstore, a model of cultural and creative cases

<https://www.yuanchuangyun.com/newsList/info/2017/2949.html>